

**MEETING MINUTES****PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT**

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**Opening:**

The Board Meeting of the Panama City-Bay County Airport and Industrial District was called to order at 9:00 a.m., December 18, 2019 by Chairman Lee.

The Invocation was given by Mr. Russ Mathis.

The Pledge of Allegiance was led by Chairman Lee.

The Executive Secretary called the roll and indicated all the Board members were present except Vice Chairman Glen McDonald, Mr. Ken Nelson and Mr. James Johnson.

Chairman Lee introduced new Board Member, Holly Melzer.

**Mr. Tusa made a motion to accept the Agenda. Mr. Mathis seconded the motion. The vote was taken and the motion passed unanimously.**

**Reports:**

Mr. Parker McClellan presented and reviewed the Activity Reports and a discussion ensued.

**Consent Agenda:****a. Board Meeting Minutes – November 20, 2019**

This item provided for Board approval of the November 20, 2019 Board Meeting Minutes.

**b. Approve Menzies Aviation 2020 Budget**

This item provided for Board approval of the 2020 O&M budget for Menzies Aviation.

The Airport owns and operates three fuel farms: the aviation fuel farm consists of four 50,000-gallon Jet-A tanks, four 15,000 avgas tanks, one 1,000-gallon diesel tank and one 1,000-gallon unleaded tank; the rental car facility consists of one 15,000-gallon tank and one 5,000-gallon tank for unleaded gas; and the Airport maintenance fuel farm consisting of one 4,000-gallon tank for diesel and one 4,000-gallon tank for unleaded.

The contract for management, maintenance and operation of the fuel farm facilities was awarded to Menzies Aviation in 2019. The initial contract term is for five years. There is a separate agreement between the airlines and Menzies for “into plane” fueling.

The consolidated Aviation fuel farm provides the District with full control over the tanks and limits environmental impacts by having the fuel tanks in centralized locations. Revenue paid to the District by

the operators of the fuel farm includes debt service for the cost of the fuel facility and O&M costs for operation of the fuel farm. Currently, the five aviation companies that use the fuel farm are American Airlines, Delta Air Lines, Southwest Airlines, United Airlines; and Sheltair Aviation, the fixed base operator on the Airport.

The rental car fuel facility is located at the quick turnaround facility (QTA).

The budget proposed for 2020 is \$545,272. The 2020 budget includes \$139,714 paid to the District for debt service for construction of the fuel farm used by Menzies. O&M expenses are paid by the users of the fuel farm with the Airport District receiving debt service payments in the amount of \$139,714 annually.

**c. Approve Vehicle Purchase – Garber Chrysler Dodge Truck Inc.**

This item provided for Board approval for the purchase of one (1) replacement police vehicle to be used by Airport Police personnel.

The vehicle to be replaced is:

2007 Ford 4d Vin: 2FAHP71W07X140447, 130,000 miles

This purchase is provided for in the Airport's FY20 Airport Police Capital Improvement Budget. The equipment is being purchased through a State of Florida Motor Vehicles Contract # 25100000-19-1 valid for the period of 11/17/2019 through 11/16/2020. The delivery of the vehicle is included in the price.

Staff recommends Board approval of the vehicle purchase, as described above, from Garber Chrysler Dodge Truck Inc., in amount not to exceed \$28,000 and the disposal of the 2007 Ford 4d vehicle being declared as surplus property.

**d. Approve Vehicle Purchase – Duval Ford, LLC**

This item provided for Board approval for the purchase of a replacement vehicle to be used by Airport personnel.

This purchase will replace a 2007 Ford Taurus currently in use. The new vehicle will be sized and equipped so as to provide operational, as well as, administrative support. It will be sized to hold up to 8 individuals to accommodate tours and VIP visits and will be equipped with radios and lighting to support airfield operations and emergencies.

This vehicle purchase is provided for in the Airport's FY20 Airport Operating and Capital Improvement Budget. The equipment is being purchased through a State of Florida Motor Vehicles contract.

Staff recommends Board approval of the vehicle purchase, as described above, from Duval Ford, LLC, in amount not to exceed \$42,500 and the disposal of the existing Ford Taurus vehicle, as surplus.

**e. Approve Change Order Number One (1) – Wildlands Fire Services, Inc.**

This item provided for Board approval of a Change Order to the Wildlands Fire Services, Inc. – Environmental Mitigation contract to provide for unforeseen mitigation activities resulting from Hurricane Michael.

Wildlands Fire Services, Inc. is currently under contract with the Airport to perform ongoing environmental mitigation services on more than 9,600 acres of mitigation property located south of the Airport.

As part of the original permit process, the Airport is committed to the long-term off-site mitigation consisting of the restoration of approximately 9,600 acres of property in close proximity of the Airport.

The initial mitigation commenced in 2008 through a 5-year contract with St. Joe Timberlands Company and continued through two 3-year contracts with Wildlands Fire Services. Right after the initiation of the 3<sup>rd</sup> year of the recent 3-year contract, Bay County was hit by Hurricane Michael. The hurricane did significant damage to the mitigation area which included blown down trees, both fully and partially, which impacts the ability to perform prescribed burns due to limitation of access to many areas and adding significant fuel source to the ground cover, thereby changing the dynamics of the burning efforts. It also damaged access roads, low water crossings, natural streams and ditches and littered the roads and shoreline with significant debris.

Wildlands mitigation efforts were put on hold while ZHA and ERC performed a Hurricane Damage Assessment. The assessment quantified the damages and determined we needed a real time evaluation of the costs to restore the damaged areas and return the mitigation areas to their state prior to the hurricane. To do so, ERC identified the affected areas by major, medium and minor impacts and utilized Wildlands to perform mitigation clean up and burning activities in each of the area to determine the premium associated with dealing with the impacted conditions. ERC monitored and documented the associated premium costs and utilized those costs to develop projected costs and timeframes to return the area to its state prior to the hurricane. This process took the better part of Wildlands' last contract year. The identified premium costs consisted of removal of trees to access burn areas, creation of additional fire breaks, State Forestry Department limitations on burn area sizes and availability of local workforce to perform the work.

As Wildlands was in their final year of their contract and the plan was to solicit for another multi-year bid, ZHA and Staff recommended extending Wildlands' contract by one year to further quantify the ongoing premium costs and allow the local market to adjust following the impacts of Hurricane Michael. Based on Federal guidelines, the Airport is permitted to increase a contract by up to 25% for similar work with changed conditions without going through the Supplemental Agreement process. ERC identified mitigation areas most appropriate for maintaining permit compliance and prepared a work plan for Wildlands to execute.

The cost of this Change Order is \$195,757.50 which will increase the Wildlands contract from \$783,263.00 to \$979,020.50.

Funding for the Environment Mitigation Services contract is currently covered by the Airport Budget and Federal Aviation Administration in an Airport Improvement Program Grant. Funding for the Change Order is available in the Airport Budget and from the Federal Aviation Administration under existing grant provisions.

**Mr. Mathis made a motion to accept the Consent Agenda, and Mr. Tusa seconded the motion. The vote was taken and the motion passed unanimously, except for Ms. Melzer abstaining from approving the November Board Meeting Minutes because she was not a Member of the Board yet and had not attended that Meeting.**

**Business Items:**

- a. **Allstate Construction, Inc. – Guaranteed Maximum Price (GMP) Amendment for Terminal Expansion Project Modular Building Construction**

ZHA President Mr. Rick Mellin addressed the Board and summarized the Guaranteed Maximum Price (GMP) Amendment to Allstate Construction's Agreement for the proposed Terminal Expansion Construction Project Modular Building Component. This item provided for Board approval of that Amendment.

At the October 30, 2019 Board Meeting, the Board accepted Staff's recommendation for Construction Manager at Risk (CM@R) services for the Terminal Expansion Project from Allstate Construction, Inc. and authorized the Chairman and Staff to proceed with contract and work items associated with the Project.

As the overall project schedule is extremely tight, Staff and ZHA met with Allstate on October 31<sup>st</sup> to go over expectations and to provide clarifications regarding scope. Staff requested Allstate prepare a schedule and budget that would achieve project objectives and to identify any activities that would require Board approval before finalizing the project overall Guaranteed Maximum Price. It was acknowledged that authorizing the design and fabrication of the modular building component would require early approval, while allowing more thorough bidding and vetting of the other project components to achieve optimum project costs and project schedule.

This Amendment to the Allstate Agreement provides for a Guaranteed Maximum Price (GMP) for the modular building construction portion of the overall Terminal Expansion Project. The modular building is a time-critical item with the longest lead time for the project. Fabrication work on the modular building needs to begin quickly in order to meet Airport's established construction objectives.

Allstate has submitted a GMP for the modular building design, fabrication and installation in the not-to-exceed amount of \$1,661,400.

Given the critical need for completion of this project in a timely basis, Staff recommended the initial GMP amendment to the CM@R contract with Allstate Construction be approved in an amount not-to-exceed \$1,661,400. Amendment costs will be included in the Terminal Expansion Project, which is funded through a FAA AIP Grant and budgeted Airport funds.

**Mr. Mathis made a motion to approve the Allstate Construction Guaranteed Maximum Price (GMP) Amendment for Terminal Expansion Project Modular Building Construction, and Ms. Melzer seconded the motion.**

b. **Approve ZHA Incorporated (ZHA) – Professional Engineering, Architectural, Project Inspection, Construction Management and Planning Services Agreement – Annual Review**

ZHA President Mr. Rick Mellin addressed the Board and reported on their continuing Services for ECP. This item provided for Board approval of the Annual Review for ZHA Incorporated (ZHA) as provided in the Professional Engineering, Architectural, Project Inspection, Construction Management and Planning Services Agreement.

On January 27, 2016, the Airport Authority entered into an Agreement with ZHA to provide engineering, architectural, project inspection, construction management and planning services. The agreement has a five (5) year term with an annual review of their performance and review of the services provided.

Since the establishment of this Agreement, ZHA has performed and completed numerous tasks for the Airport Authority. The projects have ranged from providing and ensuring environmental oversight and compliance, providing planning services on multiple ongoing airport construction projects, and providing design and construction oversight of ongoing projects.

ZHA and their Team have continued to help to maintain a positive and successful relationship between the Airport and the Florida Department of Environmental Protection (FDEP), the Florida Department of Transportation (FDOT), the US Army Corps of Engineers (USACE), the Federal Emergency Management Agency (FEMA) and the Federal Aviation Administration (FAA).

During this past year, ZHA has assisted Staff with the State and Federal assistance as it related to the FEMA and the FAA, development of Terminal Expansion options, mitigation efforts, Hurricane Michael related issues, Access Control Upgrades, economic development project alternatives, design of aircraft parking ramps and associated taxiways and the associated bidding documentation and review, as well as other projects.

ZHA continues to work in the best interest and in support of the District and the Staff. Funding is available in the FY20 Operations and Maintenance Budget for this Agreement.

**Mr. Mathis made a motion to approve the ZHA Agreement Annual Review, and Ms. Melzer seconded the motion.**

### **The Bay EDA Update:**

Bay EDA President Becca Hardin addressed the Board and reported on her trip with Mr. McClellan to Lithuania to meet with a prospect from the annual MRO Europe tradeshow in London. She reported that this prospect – named Project Venus – would need approximately 140,000 square feet and have an estimated 300 employees. Ms. Hardin added that she and Mr. McClellan were introduced to another company while in Lithuania who is also very interested in the Airport property and both will be visiting the U.S. in March or April.

Ms. Hardin also reported on GKN Aerospace's decision to leave Venture Crossings – a decision not because they could not get the workforce (they were very happy with the workforce they got and the high level of skills they were receiving through the retired military), and not because of Hurricane Michael – but it was a decision made by the company who bought GKN and the strategic direction they are taking.

Ms. Hardin concluded by saying that tomorrow the executive team for Project Mastermind would be flying in to Tallahassee, and by the first of the year we should know more on the status of that project.

### **The Moore Agency Update:**

Ms. Katie Spillman of The Moore Agency reported on their November marketing and advertising activity. Ms. Spillman reported that they ran two paid digital campaigns on Facebook and one paid campaign on Google. She said that the two campaigns are “always on” targeting people who are actively looking at booking a flight or visiting the ECP website.

Ms. Spillman reported on an additional Facebook campaign with a holiday-themed creative, targeting people interested in traveling, resulting in a 156% increase in impressions when compared to October. She said this indicated a great general awareness growth among a new audience.

Ms. Spillman reported sharing the news surrounding United Airlines' decision to add more nonstop flights in the spring, and as a result, more than 66,000 earned media impressions were garnered.

Ms. Spillman reported that in November, there were 537 airline website click conversions and 151 assisted conversions; 4,187 Escape page views; 15,154 new website visitors; 32,624 total sessions; and 392,478 earned media impressions. Ms. Spillman said the best performing creative was our holiday campaign launched in November that drove up awareness and delivered a larger increase in impressions, with 97 conversions.

**State Road 388 Construction Update:**

Mr. Richard McConnell addressed the Board and reported that wick drains are still being installed in anticipation for upcoming surcharge, everything is on schedule if not ahead of schedule, and there has been a planned slow down for the holiday season to be followed up with the project kicking into full gear at the beginning of the new year. Mr. McConnell added that contractors determined temporary lighting fixtures would not be sufficient because of the length of time for the project, and therefore have submitted a Change Order to the State for a more semi-permanent/permanent lighting solution bringing power across S.R.388 to the Airport Entrance intersection. Mr. McConnell concluded that lighted sign instructing east-bound travelers where to turn left has been installed to help prevent them from driving past the Entrance.

**Executive Director Report:**

Mr. McClellan addressed the Board and reported on the upcoming Super Summer Weekends. McClellan also reported that Southwest Airlines will be adding a non-stop to Atlanta during the summer; the beginning of the new year will see more action on the E-1 Taxiway and Ramp Project; and the St. Joe Company will have a ground-breaking ceremony for the Hilton Garden Inn on the corner of West Bay Parkway and Venture Crossings tomorrow morning. McClellan also reported that the Covered Parking Lot will be temporarily closing for repairs beginning January 1 and signage will be installed next week to that effect, and that a temporary timed-shuttle will be added. McClellan concluded that Staff continues to work with the airlines negotiating their 5-year contract expected to come before the Board at the May 2020 Board Meeting.

Mr. Mathis reported that he has had several requests from passengers asking for larger flight-monitoring boards.

**Public Comments:**

There were no public comments.

**Adjournment:**

The meeting was adjourned at approximately 9:50 a.m.

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Kathy Gilmore, Executive Secretary

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Del Lee, Chairman